

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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TRAVELERS CASUALTY AND SURETY COMPANY as  
Administrator for RELIANCE INSURANCE COMPANY,

Plaintiff,

vs.

: 07-CV-6915 (DLC)  
**ECF CASE**

DORMITORY AUTHORITY – STATE OF NEW YORK,  
TDX CONSTRUCTION CORP. and KOHN PEDERSEN  
FOX ASSOCIATES, P.C.,

Defendants.

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DORMITORY AUTHORITY OF THE STATE OF NEW YORK : **ANSWER OF**  
AND TDX CONSTRUCTION CORP., : **LUMBERMENS**  
Third-Party Plaintiffs, : **MUTUAL CASUALTY**  
vs. : **COMPANY improperly**  
TRATAROS CONSTRUCTION, INC., : **sued as KEMPER**  
Third-Party Defendant. : **CASUALTY**  
: **INSURANCE**  
: **COMPANY d/b/a**  
: **KEMPER**  
: **INSURANCE**  
: **COMPANY TO**  
TRATAROS CONSTRUCTION, INC. and TRAVELERS : **CROSS-CLAIM OF**  
CASUALTY AND SURETY COMPANY, : **ZURICH AMERICAN**  
Fourth-Party Plaintiffs, : **INSURANCE**  
vs. : **COMPANY**

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CAROLINA CASUALTY INSURANCE COMPANY; BARTEC :  
INDUSTRIES, INC.; DAYTON SUPERIOR SPECIALTY :  
CHEMICAL CORP. a/k/a DAYTON SUPERIOR CORPORATION:  
SPECIALTY CONSTRUCTION BRANDS, INC. t/a TEC; :  
KEMPER CASUALTY INSURANCE COMPANY d/b/a KEMPER:  
INSURANCE COMPANY; GREAT AMERICAN INSURANCE :  
COMPANY; NATIONAL UNION FIRE INSURANCE :  
COMPANY OF PITTSBURGH, PA; UNITED STATES FIRE :  
INSURANCE COMPANY; ALLIED WORLD ASSURANCE :  
COMPANY (U.S.) INC. f/k/a COMMERCIAL UNDERWRITERS :

INSURANCE COMPANY; ZURICH AMERICAN INSURANCE' :	:
COMPANY d/b/a ZURICH INSURANCE COMPANY; OHIO :	
CASUALTY INSURANCE COMPANY d/b/a OHIO CASUALTY :	
GROUP; HARLEYSVILLE MUTUAL INSURANCE COMPANY :	
(a/k/a HARLEYSVILLE INSURANCE COMPANY); JOHN DOES :	
1-20 and XYZ CORPS. 1-20,	:
	:
<u>Fourth-Party Defendants.</u>	:

Comes now Fourth-Party Defendant Lumbermens Mutual Casualty Company ("LMC"), improperly sued as Kemper Casualty Insurance Company d/b/a Kemper Insurance Company,<sup>1</sup> and for its Answer to the Cross-Claim of Zurich Insurance Company ("Zurich") states as follows:

LMC denies that Zurich is entitled to contribution and judgment against LMC for any recovery, including any portion thereof, of any recovery that Fourth-Party Plaintiffs may obtain against Zurich. The remaining allegations of the Cross-Claim are not directed against LMC and therefore no answer is made to those allegations. To the extent that any of the remaining allegations contained in the Cross-Claim are directed against LMC, those allegations are denied.

WHEREFORE, LMC prays that this Court enter judgment against Cross-Claimant Zurich as to all of its claims against LMC in the Cross-Claim of Zurich, including that Zurich is not entitled to contribution from LMC for all or any part of any verdict or judgment that the Fourth-Party Plaintiffs may recover against Zurich and that this Court grant LMC its attorneys' fees, costs incurred in defending against this Cross-Claim, and such other relief that this Court deems just and equitable.

#### Affirmative Defenses

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<sup>1</sup> LMC is one of the Kemper Insurance Companies, and issued the insurance policy at issue in the Fourth-Party Complaint.

**FIRST AFFIRMATIVE DEFENSE  
(Trataros is Not an Insured)**

Zurich is not entitled to indemnification or contribution from, or to have judgment entered against, LMC because Trataros Construction, Inc. (“Trataros”) is not a named insured in LMC Policy No. 4LS 001759-00 at issue and Trataros is therefore not entitled to a defense or indemnification from LMC.

**SECOND AFFIRMATIVE DEFENSE  
(Trataros is Not an Additional Insured for Claims at Issue)**

LMC Policy No. 4LS 001759-00 at issue provides additional insured status where the Named Insured G.M. Crocetti, Inc. (“Crocetti”) is required to provide insurance in a contract but only for liability arising from the named insured Crocetti’s work for that party. Any liability of Trataros is the result of Trataros’ conduct in insisting that Crocetti install terrazzo over Conflow over Crocetti’s objections. Any liability of Trataros does not arise out of Crocetti’s work but arises out of Trataros’ decisions. Trataros is therefore not an additional insured under the LMC Policy for the Terrazzo claims and Zurich is therefore not entitled to indemnification or contribution from, or to have any judgment entered against, LMC.

**THIRD AFFIRMATIVE DEFENSE  
(Lack of Occurrence)**

LMC Policy No. 4LS 001759-00 at issue requires that a covered claim arise out of an “occurrence”. Trataros ordered Crocetti, over Crocetti’s objections, to install terrazzo flooring over Conflow, knowing that it would fail. As such, the claim does not constitute an “occurrence” and there is no duty to defend or indemnify Trataros under the LMC Policy and Zurich is therefore not entitled to indemnification or contribution from, or to have any judgment entered against, LMC.

**FOURTH AFFIRMATIVE DEFENSE  
(Your Work Exclusion Bars Any Coverage)**

LMC Policy No. 4LS 001759-00 at issue contains an Exclusion titled “Your Work” which excludes coverage for any property damage that results from the work conducted by the insured and/or additional insured. If Trataros qualifies as an additional insured under the LMC Policy, which LMC denies, there is no coverage for any claim by Trataros against LMC and Zurich is not entitled to indemnification or contribution from, or to have any judgment entered against, LMC.

**FIFTH AFFIRMATIVE DEFENSE  
(Failure to Provide Proper Notice)**

LMC Policy No. 4LS 001759-00 at issue contains a notice condition that requires notification of an occurrence as soon as practicable and immediate notification of an offense that may result in a claim. The notice condition also requires immediate notice of a claim or suit. If Trataros qualifies as an additional insured under the LMC Policy, which LMC denies, Trataros failed to comply with this condition and therefore there is no duty to defend or indemnify Trataros under the LMC Policy, and Zurich is therefore not entitled to indemnification or contribution from, or to have judgment entered against, LMC.

**SIXTH AFFIRMATIVE DEFENSE  
(Other Insurance)**

LMC Policy No. 4LS 001759-00 at issue contains provisions that provide that if there is any other collectible insurance available to an insured, the LMC Policy will be excess of the other collectible insurance.

Zurich’s claims are barred in whole or in part to the extent that there is other collectible insurance available to the insured.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Failure to State a Claim)**

The Cross-Claim fails to allege facts sufficient to constitute a claim against LMC.

**EIGHTH AFFIRMATIVE DEFENSE  
(Failure to Properly Allege Indemnification)**

The Cross-Claimant does not satisfy all elements to properly allege indemnification against LMC.

**NINTH AFFIRMATIVE DEFENSE  
(Failure to Properly Allege Contribution)**

The Cross-Claimant does not satisfy all elements to properly allege contribution against LMC.

**TENTH AFFIRMATIVE DEFENSE  
(Other Defenses)**

LMC reserves the right to amend its Answer by way of adding affirmative defenses, counterclaims, cross-claims, or by instituting third party actions as additional facts are obtained through investigation and discovery.

WHEREFORE, LMC prays that Cross-Claimant take nothing by its Cross-Claim; that LMC be dismissed with prejudice and awarded fees and costs incurred in defending this Cross-Claim; and that this Court enter a declaration that LMC is not obligated to provide insurance coverage for Fourth-Party Plaintiffs or any other party, and for any further relief that this Court deems equitable

and just.

DATED: February 11, 2008

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By: s/ Michael S. Miller

Michael S. Miller

**DECLARATION OF SERVICE**

The undersigned hereby declares, under penalty of perjury, that on February 11, 2008, he caused a true copy of the foregoing Answer, etc. to be served via electronic filing upon counsel for the various parties as follows:

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DATED: February 11, 2008

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